

Public Service Commission

Protest Against Carolina Water Service, Inc.'s Application for Rate Increase Across SC

August 4, 2011

1. Allen Nason, 50 Fairway Ridge, Lake Wylie SC 29710. I am married with two children. I am former military and am a practicing attorney. I live in an unincorporated area of York County and have no active local government to advocate for reasonable utilities practices and pricing in this area -- so you are all, practically speaking, this group has.

- good level of work - not about 11-11-11

- KEY - something is actually wrong

2. The focus of my testimony is on my personal experience at my home, which we purchased in January of this year.

- a. Damages to our home: \$16,296.79
- b. Settlement with Utilities Inc. on behalf of Carolina Water through their insurer, Liberty Mutual
- c. Carolina Water not knowing about the location of infrastructure -- no map they could refer to
- d. We noticed on repair that Carolina Water does not correctly fasten any of its system to main lines; plumber confirmed that is the case throughout River Hills - as a Carolina Water costs savings measure; creates problems where residences main lines get penetrated by roots prior to where residents houses connect with Carolina Water System (triggers water service line coverage, another profit center (e))
- e. Utilities Inc.'s water service line coverage (using insurance to pass costs of infrastructure to insurance) -- not sure if you get data from both Utilities Inc. and Carolina Water Service, Inc. (but obviously they are intertwined such that getting a clear picture of relative infrastructure payments, needs and maintenance requires evaluation of Carolina Water and Utilities Inc. records)
- f. Any assertion that Carolina Water or Utilities Inc. is spending money on infrastructure must be closely scrutinized. My question is whether Carolina Water set in place a infrastructure reserve program over 30 years ago to address infrastructure problems now...if they had an insufficient reserves and did not maintain infrastructure within the standard of care for all these years than allowing them to raise rates to fix poor past management is a poor precedent to set as it rewards passing the buck on maintaining infrastructure to residents who have no control over how the utility accomplishes its infrastructure maintenance responsibilities over time.

3. I should note I have reviewed the mailings from your office and they are appreciated:
- a. Other than contesting the requested increase I object also to tariff modifications where "actual cost" is being used as the new basis for charges, regardless of category. Actual cost is subjective and permits Carolina Water and Utilities Inc. to decide what that is and what constitutes "actual cost." There are no restrictions provided to identify what cannot be included in reaching "actual cost," like profit, overhead, etc.
 - b. I also believe "damage to water and sewer facilities by tampering" is too broad and is subject to abuse.

"There is no right way to do same thing wrong."

NATIONAL ACCTS LIABILITY CST MS
LIBERTY MUTUAL INSURANCE COMPANY
PO BOX 300003
LAWRENCEVILLE GA 30049



Telephone: (800) 852-6662
Fax: (603) 334-8105

February 25, 2011

Allen M Nason
50 Fairway Ridge
Lake Wylie SC 29710

Claimant: Allen M Nason
Claim Number:
Customer: Utilities Inc
Date of Loss: 02/06/2011

Dear Allen M Nason:

This will confirm our settlement of Sixteen thousand two hundred ninety six and 79/100 dollars (\$16,296.79). Please read, sign in ink, and return the accompanying release.

On the line indicated:

- "(1)" Fill in the date the release is signed.
- "(2)" Write "I (or We) have read this release."
- "(3)" Sign your full legal name.
- "(4)" & "(5)" Have two witnesses write their names and addresses to verify your signature.

The settlement check will be issued upon receipt of the fully executed Release.

Please feel free to contact me if you have any questions. You can reach me at extension 15680.

Sincerely,

BRITTANY ESQUIVEL
CLAIMS CASE MANAGER II

ENCLOSURE

NOTICE AND RELEASE AND SETTLEMENT OF CLAIM

Claim # P

Event #: 5

For the sole consideration of: Sixteen thousand two hundred ninety six and 79 /100 dollars (\$16,296.79) the undersigned hereby releases and forever discharges: Utilities Inc, Carolina Water Services and Liberty Mutual Insurance Company and all other persons, firms and corporations from all claims and demands, rights and causes of action of any kind of undersigned now has or hereafter may have on account of or in any way growing out of property damage resulting or to result from an occurrence which happened on or about 02/06/2011 and do hereby covenant to indemnify and save harmless the said party or parties from and against all claims and demands whatsoever on account of or in any way growing out of said occurrence or its results to property. This release expresses a full and complete SETTLEMENT of a liability claimed and denied, regardless of the adequacy of the above consideration, and the acceptance of this release shall not operate as an admission of liability on the part of anyone nor as an estoppel, waiver or bar with respect to any claim the party or parties release may have against the undersigned. Witness my hand and seal.

YOU ARE MAKING A FINAL SETTLEMENT.
THIS IS A RELEASE: READ BEFORE SIGNING.

1. Dated _____, 20____

2. I/We _____

3. _____
(Signature)

(Signature)

4. _____
(Witness' Signature)

(Address)

5. _____
(Witness' Signature)

(Address)

**RE: Your Claim**

Monday, February 21, 2011 3:33 PM

From: "Allen Nason" <aenason@yahoo.com>**To:** "Brittany Esquivel" <Brittany.Esquivel@LibertyMutual.com>

Brittany,

Good afternoon. I will follow up with you in a few minutes. As to your question, I called your insured out on the Sunday before the plumber (\$2,450.00) came out. They stated the issue was not Carolina Water's responsibility and it was my (Nasons) problem. Hence, the plumber came out and fixed my line all the way up to and including your line.

On site, the plumber asked if he was authorized to fix the line and get us (Nasons) back into our house - to which Dot and Dick (both Carolina Water representatives) stated "yes." Dot was physically looking over the plumber's shoulder at the time. They stated this in the presence of the plumber and Martha Simmons (the General Manager for the community). They agreed on site they would accept full responsibility and liability for this.

I hope this makes sense.

Allen

--- On Mon, 2/21/11, Esquivel, Brittany <Brittany.Esquivel@LibertyMutual.com> wrote:

From: Esquivel, Brittany <Brittany.Esquivel@LibertyMutual.com>

Subject: RE: Your Claim

To: "Allen Nason" <aenason@yahoo.com>

Date: Monday, February 21, 2011, 2:41 PM

Allen,

Why did you have another company come out to repair the line itself when my insured is the owner of the line? These types of repairs are specifically excluded in their policy with us since the damage was directly to their line. Did you not contact my insured to request that the line be repaired? They are obligated to clean and repair all lines in the event of these types of accidents.

I will be forwarding an email to you shortly with my recommendations and final offer.

Brittany Esquivel**Commercial Market Claims**

PO Box 300003

Lawrenceville, GA 30049

(800) 852-6662 ext 15680

(603) 334-8106 Fax

Brittany.Esquivel@libertymutual.com

From: Allen Nason [mailto:aenason@yahoo.com]

Sent: Monday, February 21, 2011 12:41 PM

To: Esquivel, Brittany
Subject: Re: Your Claim

Brittany,

Good afternoon. By email is fine. Please specifically identify what items are not agreeable so I can get that addressed with Paul Davis and then get back with you hopefully by 5 today. Thanks!

Allen

--- On Mon, 2/21/11, Esquivel, Brittany <Brittany.Esquivel@LibertyMutual.com> wrote:

From: Esquivel, Brittany <Brittany.Esquivel@LibertyMutual.com>
Subject: Your Claim
To: "Allen Nason" <aenason@yahoo.com>
Date: Monday, February 21, 2011, 12:24 PM

Mr. Nason,

I just received the report back from our property appraisers. There are only a few things with regards to the remediation that are not agreeable. I will look everything over and advise as to what the next step would be and have some sort of offer for you after the lunch hour.

What is the best way for me to relay this information to you? Phone or email?

Thanks,

Brittany Esquivel
Commercial Market Claims
PO Box 300003
Lawrenceville, GA 30049
(800) 852-6662 ext 15680
(603) 334-8106 Fax
Brittany.Esquivel@libertymutual.com



Re: Your claim settlement

Tuesday, February 22, 2011 11:17 AM

From: "Allen Nason" <aenason@yahoo.com>

To: "Esquivel, Brittany" <Brittany.Esquivel@LibertyMutual.com>

Brittany, if it helps I can conference call Martha Simmons, the community general manager, into a discussion. She was on site and holds the plans for the community water and sewer. She was on site and can certify it was my line. Just let me know, thanks.

Allen

Sent from my iPhone

On Feb 22, 2011, at 10:15 AM, "Esquivel, Brittany" <Brittany.Esquivel@LibertyMutual.com> wrote:

Mr. Nason,

Just to keep you updated, I have to wait to hear back from my insured once they send me something confirming that the line for which the plumbing invoice was submitted for is in fact your own. I appreciate your patience with the matter.

Thanks,

Brittany Esquivel

Commercial Market Claims

PO Box 300003

Lawrenceville, GA 30049

(800) 852-6662 ext 15680

(603) 334-8106 Fax

Brittany.Esquivel@libertymutual.com



HomeServe



Mr. Allen M. Nason
50 Fairway Rdg.
Lake Wylie, SC 29710-9209



You are responsible for the maintenance and repair of your exterior water pipe.

Dear Mr. Nason:

Our records indicate that your property is not covered by Water Service Line Coverage

Our records show that 50 Fairway Rdg. may not be covered if a break, leak or other water emergency occurs due to an exterior water pipe failure. As a homeowner, you would have to deal with the aggravation and expense if things go wrong, such as locating, excavating and repairing a leak or replacing an entire segment of pipe. However, as a valued Utilities, Inc. customer, you can prepare for tomorrow's problems today.

A burst exterior water line can really take you by surprise. These emergencies or breakdowns can be more than an inconvenience. You may be surprised to learn it's a problem that has affected thousands of Utilities, Inc. customers already. Not only is it difficult to find a reliable contractor on call, but you could find yourself with a repair bill costing \$2,000 or more – especially because water pipe repairs aren't typically covered by basic homeowners insurance plans. That's why over 15,000 Utilities, Inc. homeowners trust HomeServe to look after their exterior water service lines.¹

Affordable coverage you shouldn't pass up

Now for only \$5.99 a month, you'll have up to \$7,000 in annual coverage, with two calls per year, that will automatically pay the costs of covered repairs or replacement, with no paperwork to file or deductible to pay. Plus, you'll have a 24-hour toll-free number to call so you can get your exterior water line repaired, and the water in your house back on, FAST.

A problem with your water service line could be just around the corner, so be prepared. Mr. Nason, it takes just a few minutes to arrange for your coverage to protect the exterior water service line at 50 Fairway Rdg.. Call toll-free 1-888-300-4513, or complete and return the Acceptance Form below.

Sincerely,

Michael Backus

Michael Backus
Vice President, HomeServe

Please reply by: 07/15/2011

Pay nothing for covered repairs

Mr. Nason, look at the benefits of Water Service Line Coverage:

- ☒ 24-hour emergency hotline, open 365 days a year.
- ☒ Up to \$3,500 per covered claim for locating, repairing or replacing the water service line at your home.
- ☒ Up to two claims per year.
- ☒ Basic restoration including backfilling, leveling, reseeding and replacement of concrete/blacktop sidewalks or driveways.
- ☒ Satisfaction¹ Guarantee: If you are ever dissatisfied, simply call toll-free 1-888-300-4513, and we will cancel your coverage, No termination fee. No questions asked.

For more details of what is and what is not covered, please see the Questions and Answers on the reverse.

Call toll-free **1-888-300-4513** or simply complete the form below

Available: Mon. - Fri. 8 a.m. - 8 p.m. | Sat. 10 a.m. - 4 p.m. EST

¹HomeServe repair data, April 2011

Home Service USA Repair Management Corp. ("HomeServe") provides this optional service under a delegated authority from AMT Warranty Corp., who is your contract issuer. HomeServe is an independent company separate from Utilities, Inc.

ACCEPTANCE FORM

Mailcode:

This coverage is for homeowners only.
If your details are incorrect, please check this box and make revisions below. ☒

Mr. Allen M. Nason
50 Fairway Rdg.
Lake Wylie, SC 29710-9209

Phone:

E-Mail Address:

Credit/debit card or E-Z Pay frequency:

- | | |
|--------------|---------|
| 1. Monthly | \$5.99 |
| 2. Quarterly | \$17.97 |
| 3. Yearly | \$71.88 |

I authorize HomeServe to charge my account at the frequency specified above and my financial institution to debit these payments from the account provided; and I confirm that I have read the reverse of the letter and meet the eligibility requirements. If I have chosen credit/debit card or E-Z Pay, this authorization is to remain in effect and my coverage will be automatically renewed at the then-current rate unless I cancel by calling the toll-free number in my membership materials.

Signature
(required) ☒

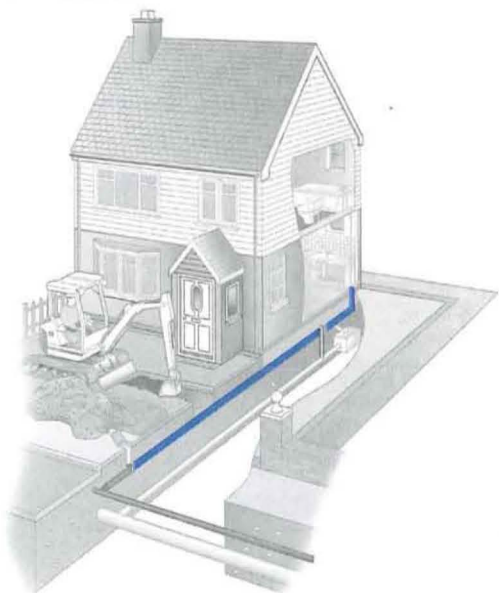
Date:

Please complete payment information on reverse.

UXXA-SWS-611BA
00068869

Water Service Line Coverage

The illustration below shows where things can go wrong with your water service line — and how much a contractor would typically charge customers who don't have Water Service Line Coverage from HomeServe. How would you cope if it happened to you? With Water Service Line Coverage from HomeServe, it's not something you have to worry about; you'll benefit from an emergency response and no bill to pay for covered repairs!



Locate, excavate &
repair leak **\$452**
Plan Members –
NO CHARGE!



Replace water
service line **\$2,385**
Plan Members –
NO CHARGE!



Homeowner's responsibility



Water company's responsibility

In some towns, the service line beyond the property boundary to the main connection in the street may remain the homeowner's responsibility but is not covered under this policy.

‡ HomeServe national average repair costs as of 04/11. No charge for covered repairs up to your annual benefit.

Your Questions: Asked and Answered

What am I responsible for?

As a homeowner, you are responsible for the water service line on your property, from the water company's connection to the point of entry into your home. The water company's connection is normally in the road in front of your home.

Does my homeowners insurance cover this?

Most basic homeowners insurance policies do not cover repair or replacement of the exterior water service line. If you find you have similar coverage, your service agreement fee will be refunded.

What is included in this coverage?

You will be covered up to \$3,500 per service call for the cost of repairing or replacing burst or leaking water service lines on your property.† This includes ground restoration, all service call charges, labor and materials for covered repairs—so you'll have no bill to pay within the coverage limits. Coverage is optional. Other exclusions may apply. See Water Service Line Coverage Terms and Conditions for additional information on what is covered under the plan.

Who is HomeServe?

HomeServe is an independent, private company providing emergency home repair services and protection solutions to households across the U.S.

Who is eligible to join?

A residential homeowner with a home up to 5,001 sq. ft. can join. Mobile homes, recreational vehicles, multi-unit dwellings and commercial properties are not eligible for coverage.

When can I make a service call?

Membership starts the day your Acceptance Form is processed and lasts for one year. Membership is automatically renewed thereafter for credit/debit card and E-Z Pay customers. There is an initial 30-day waiting period to make a claim, giving you 11 months of coverage during the first year of coverage. This prevents service calls on pre-existing conditions and helps keep the coverage affordable.

Am I restricted to only one service call per year?

You can make up to two service calls per year, giving you an annual benefit of up to \$7,000 for covered repairs.

What quality of repair can I expect? •

A local, licensed and insured contractor will be responsible for handling your emergency. Permanent repairs are made where possible and will be guaranteed against faulty material and workmanship for one year.

What is E-Z Pay?

E-Z Pay is a paperless and stress free way to pay for your coverage. You authorize us to automatically debit your bank/checking account as your payment becomes due, at no additional cost! Your coverage will be automatically renewed so there's no risk of it expiring and losing your benefits. We will automatically debit the checking account from which you wrote your first payment. You choose your payment frequency and we take care of the rest! Your authorization remains in effect until you notify HomeServe of change or cancellation. It's that simple!

† General Exclusions: Acts of God, the thawing of frozen pipes; emergency breakdown - to external guttering, arising from disconnection to main water supply, due to pre-existing conditions, caused by faulty construction / improper maintenance, or from a controllable leak; swimming pools / decorative features; faucets or hose bibs; repair of covered parts, equipment and/or systems due to reduction in performance caused by normal wear and tear; emergency breakdown to property having remained unoccupied for more than 30 days; repairs when parts are obsolete; costs to correct or upgrade any part, equipment and/or system in order to comply with law; costs associated with treatment, recovery/disposal of hazardous material; manufacturer's recalls, defects or class action suits; closing walls, floors or ceilings; costs of a repair visit, restoration of affected area, hard or soft landscaping if coverage does not apply; repair, replacement or unblocking without our prior authorization; mobile homes, recreational vehicles, multiple-unit dwellings, or commercial buildings or any residential home over 5,001 sq. ft. See terms and conditions for complete coverage details.

ACCEPTANCE FORM

Choose your method of payment:

1. Credit/Debit Card Option

--VISA-----MASTERCARD---

Expiration Date:

Card Number:

2. E-Z Pay Checking Option (see Q&As)



I have enclosed a check for my first payment and understand that all future payments will be charged to this account.

3. Check or Money Order: ANNUAL PAYMENT ONLY. MAKE PAYABLE TO HOMESERVE.



Please sign me up for Water Service Line Coverage, I confirm that I have read the reverse of the letter and I meet the eligibility requirements. I have enclosed my check or money order for my payment of \$71.88.

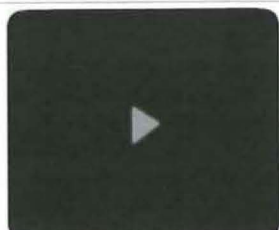
**For more information, or to activate your coverage
over the phone, simply call 1-888-300-4513**

Available: Mon. - Fri. 8 a.m. - 8 p.m. Sat. 10 a.m. - 4 p.m. EST





OUR PARTNERS



See what our partners are saying about us

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[United Water](#)
[Aqua](#)

Partnerships With a Common Goal - Peace of Mind

Leading utility companies from coast to coast choose to partner with us. Why? Because we provide an exceptional service experience to their customers and a vibrant and growing business model to them. Here are our partners.

[See Our Coverage Map](#)



Portland Water District
From Stream to Tap to Every Drop



UNITED WATER



Would you like to join this elite group of partners? [Learn how.](#)



PARTNERS

Enhance your customer relationships and your bottom line

Here's an easy way to add new services and benefits to your customer service offerings and add incremental revenue straight to your bottom line – with no financial or operational risk.

Just partner with HomeServe USA and allow us to provide your customers with affordable, value-added emergency repair plans. We take care of every aspect of the program for you. We prepare marketing communications for your approval and then distribute them to your customer base at no cost to you. We manage and route emergency service calls to local, licensed and insured contractors to make repairs. We even guarantee permanent repairs for one year.

Benefits:

- Increased brand preference
- Increased customer satisfaction
- Added product offerings
- Added revenue to your bottom line

Add our services to your existing customer offerings. Contact us now at businessdevelopment@homeserveusa.com

95%

of customers are satisfied with HomeServe USA's responsiveness to their emergency *

96%

of customers would recommend HomeServe USA to friends and family *

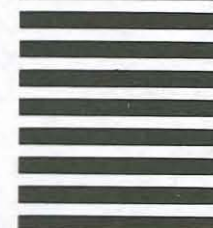
97%

of customers are satisfied with the entire HomeServe USA emergency repair process*

* Data based on customers polled 48hrs after service was performed. Polls were conducted between January 1, 2010 and July 31 2010.



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL

PERMIT NO. 367

LANCASTER PA

POSTAGE WILL BE PAID BY ADDRESSEE

HOMESERVE
PO BOX 4032
PORTLAND ME 04101-9817

